

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 12, 2013

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

HAWAII

Request to Write-Off Uncollectible Accounts on the Island of Hawaii;
Franklin Hulce, RP 6986, owing \$227,131.85

BACKGROUND:

Pursuant to Section 40-82, Hawaii Revised Statutes, the directors, boards, or executive heads of executive departments may from time to time prepare and submit for review of the Attorney General a list of all uncollectible accounts in their departments. Such accounts as the Attorney General finds to be uncollectible shall be entered in a special record and be deleted from the accounts receivable records of the departments, which shall thereupon be relieved from any further accountability for their collection.

The following balance that has been deemed uncollectible:

RP 6986 Franklin Hulce

North Kona, Hawaii

Amount owing: \$227,131.85

This was a revocable permit for residential and general agricultural use purposes that commenced on September 12, 1994 and terminated on November 30, 2001. Monthly rent was \$610.00. On November 15, 2001, the Hawaii District Land Office ("HDLO") notified Mr. Hulce that pursuant to his permit, he was responsible for ensuring the premises and improvements are in a clean, sanitary and orderly condition and that a final inspection was scheduled on November 30, 2001.

The inspection revealed considerable environmental contamination on the property as described in the HLDO's letter of May 7, 2002. (**Exhibit A**) The HLDO requested Mr. Hulce to clean up the subject property and stated that if he did not, the Department of Land and Natural Resources ("Department") will do so at his expense and the bill will be forwarded to the Department of the Attorney General for collection and further legal action.

Mr. Hulce took no action. The Department proceeded with the remediation and Mr. Hulce was informed by letters from the Attorney General's office dated April 2, 2003, June 12, 2003, June 26, 2003, October 26, 2005 and April 2, 2008, that he was responsible for the cleanup costs of the property. The total cost of the cleanup was \$228,961.85, less rental credit of \$610.00 and credit for security deposit of \$1,220.00, for a net amount owed of \$227,131.85. On February 28, 2013, the Civil Recoveries Division of the Department of the Attorney General approved the write-off of this account. **(Exhibit B).**

RECOMMENDATION:

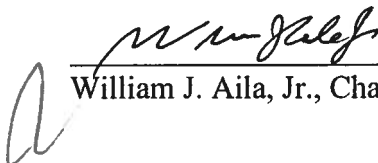
That the Board approve the above listed uncollectible account be deleted from the Department of Land and Natural Resources' accounts receivable and placed in a special record and that should any account so listed become collectible, that such account be transferred back to the current accounts receivable.

Respectfully Submitted,



Lydia M. Morikawa
Special Projects and Development Specialist

APPROVAL FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION
P.O. BOX 936
HILO, HAWAII 96721-0936
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AQUACULTURE DEVELOPMENT
PROGRAM
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
CONSERVATION AND
RESOURCES ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
LAND DIVISION
STATE PARKS
WATER AND LAND DEVELOPMENT

CERTIFIED MAIL

May 7, 2002

Ref. No.: RP S-6986
Author: LD-GH

Mr. Frank Hulce

Dear Mr. Hulce:

Subject: Termination of Revocable Permit No. 6986; Pu'u Anahulu Homesteads, Lot 14, Pu'u Anahulu, North Kona, Hawaii, TMK: 3rd/7-1-05:05

You were served a notice by certified mail regarding the cancellation of Revocable Permit No. S-6986 and the subsequent clean up you were to perform as required in your permit agreement with the State of Hawaii.

An inspection of the property in November of 2001 showed there to be a considerable amount of debris and petroleum spillage on the property. Several boxes in the schoolhouse office contained old business records and general office information. The other side of the school has a workroom with debris scattered all over and evidence of possible paint contamination. The warehouse was also strewn with debris and several areas where chemicals were spilled. The gas pump and underground gas storage tanks will have to be removed according to EPA standards. There are also many pieces of construction equipment including diesel tanks, conveyor systems, abandoned vehicles, and numerous smaller materials spread throughout the property and overgrown by the grass.

You are hereby given thirty (30) days from the date of this letter to notify this office of your intention to clean this property. Should you fail to respond we will initiate the clean-up of the property and forward the bill to the office of the Attorney General of the State of Hawaii for collection and further legal action.

If you have any questions, please feel free to contact me at (808) 974-6203. Thank you.

Sincerely,

Gordon C. Heit
Land Agent

cc: Land Board Member
Central Files
District Files

EXHIBIT "A"

NEIL ABERCROMBIE
GOVERNOR



DAVID M. LOUIE
ATTORNEY GENERAL

RUSSELL A. SUZUKI
FIRST DEPUTY ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
Civil Recoveries Division
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 588-0815 Tel
(808) 588-8116 Fax

February 28, 2013

TO: Mr. Russell Tsuji
Administrator, Department of Land and Natural Resources
Land Division
1151 Punchbowl Street, Room 220
Honolulu, Hawaii 96813

FROM: Steve A. Bumanglag *Steve A. Bumanglag*
Deputy Attorney General
Civil Recoveries Division

RE: Amended Approval for Write-Off Pursuant to Hawaii Revised Statutes § 40-82
Debtor: Franklin Hulce,
Delinquent Amount: \$227,131.85

Based on my review, the cases on the attached list are approved for write-off, pursuant to § 40-82(5) of the Hawaii Revised Statutes, because of one or more of the following:

- (1) The debtor or party causing damage to property belonging to the State is no longer within the jurisdiction of the State;
- (2) The debtor or party causing damage to property belonging to the State cannot be located;
- (3) The party causing damage to property belonging to the State is unknown or cannot be identified;
- (4) The debtor has filed for bankruptcy and has listed the State as a creditor; or
- (5) Any other account as may be deemed by the attorney general to be uneconomical or impractical to collect.

The account shall be entered in a special record of uncollectible accounts maintained by your Department and your Department shall be relieved from further accountability for its collection. Any account entered in the special record may be transferred back to the current accounts receivable if that account becomes collectible.

EXHIBIT " B "